



# HB 5

## The Texas Jobs & Security Act

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is a modern, transparent economic development program that will:

- ✓ Ensure Texas' economic security
- ✓ Promote technological and manufacturing independence
- ✓ Create new capital investments in our communities
- ✓ Give our children greater opportunities
- ✓ Provide additional resources for local schools

**70%**  
of Texas voters  
support continuing  
temporary property  
tax discounts

**77%** of Texas voters believe temporary tax discounts are worth the return on investment

**84%**  
believe we are  
too reliant on  
other nations for  
essentials

# CSHB 5 Highlights

## The Texas Jobs & Security Act

### Transparency & Accountability

- An **Economic Benefit Statement** from the applicant seeking a tax abatement projecting the full economic benefits for 25 years from the start of the project.
- A **School Finance Impact Report** from local school district where the project will be located projecting tax and revenue consequences for the school district each year for 25-years.
- **Biennial Compliance Report** from the applicant submitted to the Comptroller.
- **School District Biennial Report** to the Comptroller including the total amount received by the school district under the agreement, total amount of other direct or indirect payments or benefits the school received from the applicant, and how they were used by the school district.
- **Biennial report to the legislature** from the Comptroller detailing the effect of all the projects throughout the state.
- **Annual Audit** by the State Auditor.
- **Conflict of interest prohibition** for consultants and attorneys working for school districts and industry on projects.
- **Prohibits solicitation or acceptance of payments** or transfer of property outside of the final written agreement.
- **Sunset date of December 31, 2036**

### Qualifying Projects

**CSHB 5 clearly prescribes the types of projects eligible for under the Texas Jobs and Security Act. These projects include:**

- national or state security project or supply chain infrastructure project including a grid reliability project or a seawater or brackish groundwater desalination project,
- manufacturing facility, or
- project that requires over a \$1 billion investment in a school district.

### Jobs

- Job minimums based on project investment size and school district property values.
- No job waivers and claw back provisions for failure to meet the requirements.
- Credit of construction jobs.

### Grid Reliability Projects

**The legislature has prioritized continuing to strengthen the reliability of our state's electricity grid. CSHB 5 does allow for agreements for grid reliability projects, but these projects must:**

- generate base load or dispatchable electricity for the grid, excluding intermittent sources,
- increase the output capacity or reliability of an existing dispatchable electric power generation facility or replaces assets to extend the life of the facility, or
- be a natural gas terminal or storage facility.

### Tax Savings Sharing with School Districts

**School districts will immediately receive new tax revenue on their M&O taxes, share the savings under the agreement and pay 100% of the I&S taxes.**

- Companies must pay a minimum property tax based on the size and value of the project.
- Companies pay 100% of the tax value of the land.
- The abatement period per agreement is limited to 10 years.
- During the construction period, the company will share 20% of the M&O tax savings with the school district.
- During the abatement period, companies will share with the school district:
  - 30% of the first \$3 million of annual tax savings,
  - 20% of the next \$4 million of annual tax savings, and
  - 10% on any savings above \$7 million.